

Rural Electric Co-ops



The nation's nearly 900 consumer-owned electric cooperatives provide electricity for 37 million people in 47 states. But they do much more than that. Owned and governed by the consumers in hundreds of small communities, electric co-ops have been demonstrating strong commitment to their local communities since they turned on the lights in rural America in the 1930s. Today, they generate jobs and income, support local causes through charitable contributions and volunteerism, improve the environment, support education, and invest in new community businesses. Here is a sampling of how rural electric co-ops contribute to their communities.

Building Opportunity

East River Power Cooperative, Madison, South Dakota. In 1998, with commodity prices fluctuating, Lake County corn farmers wanted to form their own ethanol plant to increase income and create jobs. But to secure financing for the \$40 million plant, they had to raise \$16 million in equity. East River and Sioux Valley Energy Co-op helped raise that equity by developing the value-added loan program. The program allowed nearly 600 members of the electric co-ops to use their co-op equity as collateral for loans for the ethanol plant. Today, Dakota Ethanol has a \$1.2 million payroll and adds \$50 million to the economy in the Madison area.

Wharton County Electric Cooperative, El Campo, Texas. Through its own business incubator service, the

Wharton County Electric Cooperative helped catfish farmers create the Texas Aquaculture Cooperative. After identifying the strong demand for catfish, WCEC sponsored seminars, provided seed money for legal fees, financed a feasibility study and provided design and technical expertise for the cooperative. The cooperative now enjoys national markets for its products and recently broke ground on its own processing plant. The plant will contribute \$17 million to the local economy and create 35 new jobs.

Brunswick Electric Membership Corporation, Shallotte, North Carolina. Hard hit by the decline in textile and other manufacturing industries, southeast North Carolina needed more jobs and new

1 State, 31 Co-ops: Big Results

A recent study found that in South Dakota alone, between 1997 and 2001, the state's 31 electric cooperatives:

- Generated 800 new jobs through sponsorship of revolving loan funds.
- Invested \$10.8 million in economic development activities.
- Provided nearly \$15 million in development loans to 88 different organizations.
- Donated more than \$1.2 million to civic and community development activities.
- Contributed 52,000 volunteer hours to local projects in one year through their employees.

Source: SD Rural Electric Association and NRECA, 2003

income opportunities. With funding and support from a variety of public and private partners, Brunswick Electric Membership Corporation, an electric co-op, created three business development centers that provide affordable space to professional, service and manufacturing businesses. The centers lower overhead costs for the new businesses and simplify the startup process. They offer graduated rental rates to help businesses get off the ground. To date, the centers have housed 49 new businesses that have created nearly 800 new jobs. Similar business incubation projects have been launched by other co-ops around the country, including Lorain-Median Rural Electric Co-op and North Central Electric Co-op in Ohio, and Bayfield Electric Cooperative in Wisconsin.

N.W. Electric Power, Cameron, Missouri. In the early 1980s, as farm prices plummeted, many residents in Northwest Electric's service area left family farms for employment elsewhere. Jobs disappeared, property values fell and declines in government revenues forced cutbacks in services. Local officials lacked the resources to establish economic development programs that could attract new employers. When mounting residential vacancies and business closings threatened local distribution co-ops, N.W. Electric organized a community-business coalition to spur economic growth and create jobs. Formed in 1988, the NW Roundtable pooled the resources of eight electric distribution cooperatives, 28 county commissions, 41 city councils, and 13 chambers of commerce. It funded professional development, helped with budgets and fund raising, and eventually won state and federal grants for studies and marketing efforts. In addition to promoting the region to prospective industries, the NW Roundtable developed solutions to community problems that were obstacles to economic growth, such as housing shortages. Since N.W. Electric Power started the Roundtable, the coalition has attracted companies that employ more than 4,000 workers.

Caring for the Community

Palmetto Electric Cooperative, Ridgeland, South Carolina. Fourteen years ago, Palmetto Electric Cooperative launched Operation Roundup®, which allows the its members to round up their electric bills to the nearest dollar and donate the difference to a fund supporting community organizations and individuals in need. The donations, about \$6 per member per year, have generated more than \$3 million in charitable contributions and become a model for other cooperatives. Through how-to materials and an instructional video, Palmetto has helped some 230 other electric cooperatives launch their own programs using the Operation Roundup brand. In Georgia alone, 15 electric co-ops have contributed more than \$4 million through Operation Roundup programs to aid their communities.

Northwest Iowa Power Cooperative, Le Mars, Iowa. Demonstrating its commitment to help seriously ill or injured children in its area, the cooperative has raised more than \$100,000 for the Children's Miracle Network. For the fifth straight year, the co-op held a Touchstone Energy® golf invitational benefiting the charity. This year, the event raised more than \$26,000, nearly tripling funds raised in its first year. Eighteen local, regional and national co-ops and co-op organizations were sponsors. All of

the funds raised stay in the community to offset the medical expenses of local “miracle families,” those with ill or injured children requiring extensive medical attention. The 2004 funds will offset the medical expenses of a family whose child was born premature and badly underweight, requiring weeks of intensive care at St. Luke’s Hospital in Sioux City.

Coastal Electric Cooperative, Midway, Georgia. A little individual effort by a lot of people can go a long way. Coastal Electric Cooperative raised more than \$16,000 for the American Cancer Society’s Relay for Life fundraiser in 2004. CEC employees raised most of that money by hosting a series of small fundraisers, including a yard sale, golf tournament, car wash, bake sales and a raffle. Corporate sponsorships provided \$3,000.

Barron Electric Cooperative, Barron, Wisconsin. After recognizing the importance of having defibrillators in its vehicles, Barron Electric Cooperative began providing the units to others in the community. The co-op donated 15 defibrillators to local organizations, including five high schools. The American Heart Association estimates that access to defibrillators could save 115,000 lives per year.

Caring for the Environment

Salem Electric Cooperative, Salem, Oregon. The small streams in the Salem area are home to economically and environmentally important trout and salmon species that are threatened by development and pollution. The cooperative is working to improve the habitat for those species through a partnership with the Pacific Salmon Watershed Fund. Co-op members can donate \$5 per month to the fund when they pay their monthly electric bills. So far, co-op members have contributed \$17,000, which the state matches dollar for dollar. Funds are used to re-vegetate landslide scars, recreate deep pool habitats in streams, and protect stream banks.

Committed to Children

Jackson Electric Membership Corporation, Atlanta, Georgia. Jackson EMC created an electric vehicle education program that expanded statewide and is now being tested in several states. The program was launched after students at a local highschool asked JEMC for help in building an electric vehicle. JEMC funded the students’ project and provided technical assistance. Because of the benefits of the program in offering practical experience in energy conservation, science and technology, JEMC expanded the project to other schools in its 10-county area and beyond. As interest grew, JEMC worked with educators and community leaders to start a statewide program, validated by the state’s department of education and funded by a state grant program. Though budget cuts terminated funding, schools are still signing up and JEMC is offering technical support. In 2001 Jackson EMC and the National Rural Electric Cooperative Association’s Cooperative Research Network started a national pilot program involving hundreds of students at 40 schools in three states. The CRN is creating an interactive DVD how-to manual to help replicate the project throughout the country